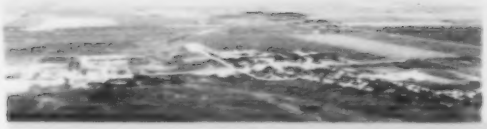
LOCAL GOVERNMENT SERVICES DIVISION



Municipal Services Branch

MUNICIPAL SPONSORSHIP PROGRAM

2005 Program Guidelines

http://www.municipalaffairs.gov.ab.ca/

Alberta
MUNICIPAL AFFAIRS

Table of Contents

1. GENERAL REQUIREMENTS 4

1.1 Is Your Municipality Eligible? 4
1.2 Which Application Form Should You Use? 5
1.3 Choosing a Project 5
1.4 Participating in More Than One Project 5

2. GRANT ELIGIBILITY 6

2.1 Eligible Purposes 6
2.2 Grant Conditions 7

3. BASIC OR ENHANCED GRANT? 7

4. BASIC GRANTS 8

4.1 Requirements 8
4.2 Funding 8

5. ENHANCED GRANTS 8

5.1 Requirements 8
5.2 Funding 8
5.3 The Point Rating System 9
5.4 Partial Funding 10
5.5 Application Forms 10
5.6 Intermunicipal Projects 13
5.7 Multi-Year Project Approval 16

6. NEED AND QUALITY POINTS 17

6.1 Need Ratings 17
6.2 Quality Ratings 18

7. APPLICATION TIMELINES AND APPEALS 19

7.1 Application Deadline 19
7.2 Notification 19
7.3 Appeals 20

8. GRANT AGREEMENTS AND COMPLIANCE REQUIREMENTS 20

8.1 Conditional Grant Agreement 20
8.2 Further Compliance Documentation 21
8.3 Follow-Up 22
8.4 Time Extension and Project Amendment Requests 22

APPENDICES

APPENDIX A: Quality Score Evaluation Forms 23
APPENDIX B: Calculating Intermunicipal Project Grant Entitlements 28
APPENDIX C: Overview And Checklists 31

2005 Municipal Sponsorship
Program Guidelines Overview

Alberta Municipal Affairs introduced the Municipal Sponsorship Program in 1998 to promote innovation, cooperation, and excellence in local government. During its first seven years (1998 to 2004) the Program provided approximately $85 million in grants for 1,763 projects.

The **2005 Program Guidelines** are based on the guidelines of previous years but there are changes. In particular, please note the following:

1. While in previous years, the application forms were specific to whether the request for funding was for a single municipal or intermunicipal project, for 2005, the application forms are specific to the **type of funding** being requested.

2. Applicants now have the option of using a **new special grant application form** for grant requests **of up to $40,000** (Section 5.5.1) for **the collection of municipal infrastructure data**. Applicants who use part or all of their enhanced grant entitlement (up to $40,000) for collecting municipal infrastructure data using the **Municipal Infrastructure Management System (MIMS)** will be screened for immediate processing and will receive full funding. Applicants proposing to collect infrastructure data in **another format** will be required to answer additional questions and may receive only partial funding.

3. A **separate application form** is being introduced for requests for **basic funding** (Section 4).

4. **Summer Villages** continue to be eligible to participate in the program, subject to special conditions (Section 1.1).

5. The Program is continuing its emphasis on quality, as supported by maintaining the maximum achievable quality rating of **90 points** (Section 5.5.2).

   Projects that increase **energy savings**, reduce greenhouse gas emissions, and/or replace conventional energy sources with renewable or alternative sources will now be eligible for a five quality point bonus.

6. Council resolutions from all municipal partners, **including the managing partner**, must be submitted along with an intermunicipal grant application or an enhanced grant application from a group of summer villages (Section 5.6).

7. The Program is continuing its emphasis on intermunicipal cooperation, as supported by **the 25% intermunicipal bonus** (Section 5.6.3).

8. The **need factor calculations** have been modified to reflect the past five years of data (Section 6.1). As well, additional need points are being allocated to smaller municipalities. Municipalities with populations up to 1,000 will receive ten additional need points, and municipalities with populations from 1,001 to 2,000 will receive five additional need points.

9. Municipalities are now allowed to provide **additional information or clarification on an appeal** (Section 7.3).

These Program Guidelines apply to year **2005 project applications only**. Please use the 2005 Municipal Sponsorship Program Application Forms to apply for 2005 grants.

If you have any questions or require further information on the Municipal Sponsorship Program, please contact:

Ms. Lou Espino, Manager, Grants and Information Support,

Mr. Christopher Michell-Viret, Manager, Policy and Special Grants, **or**

Ms. Marie Juengel, Coordinator, Policy and Grants

by phone at (780) 427-2225,

by fax at (780) 422-9133,

by e-mail at municipal.sponsorship@gov.ab.ca, or

by writing:
Alberta Municipal Affairs
Municipal Services Branch
Grants and Administration Unit
17th Floor, 10155 - 102 Street
Edmonton, AB T5J 4L4

APPLICATION DEADLINE IS JULY 29, 2005

Earlier applications are encouraged.

105-07679/

1. GENERAL REQUIREMENTS

1.1 Is Your Municipality Eligible?

Any city, town, village, specialized municipality, municipal district, improvement district, special area, Métis settlement, or summer village (subject to special conditions) with a population of 20,000 or less, based upon the 2004 Alberta Municipal Affairs Official Population List, may apply for a grant. The program **excludes** those municipalities with populations of over 20,000.

If you have received an application form, **do not fill it in** if:

- your municipality is a summer village and the application will not meet the conditions described below;
- your municipality has a population of over 20,000; or
- your municipality is participating in but not managing an intermunicipal project (or an enhanced project involving a group of summer villages – see Section 5.6).

In the first two cases, your municipality is **ineligible**. In the third case, the partner municipality that is **managing** the project should submit the grant application for the project.

Please be advised that municipalities will be ineligible to apply to the program if they have not complied with the terms and conditions of the conditional grant agreements for any project administered under the Municipal Sponsorship Program for the prior program years.

Summer villages are eligible to apply for grant funding, subject to special conditions. These are:

- A summer village is eligible to apply for or be a partner in only **one** Municipal Sponsorship Program project per program year.
- Only a summer village's permanent population will be considered.
- A summer village or a group of summer villages must have a permanent population of at least 200 people in order to make an enhanced grant application or to qualify as a partner in an intermunicipal enhanced grant application.
- For every incremental increase of 200 in permanent summer village population numbers, the application is eligible for an incremental maximum grant entitlement of up to $10,000.
- Each summer village is eligible to apply for basic funding of $1,000.

1.2 Which Application Form Should You Use?

There are **three** program application forms for the 2005 application process:

- For a municipality requesting **basic funding** only, use the **2005 Basic Grant Application** form.
- For a municipality requesting enhanced funding up to $40,000 for the collection of municipal infrastructure data, use the **2005 Special Grant Application** form.
- For a municipality requesting **enhanced funding** for any other purpose, use the **2005 Enhanced Grant Application** form.

A municipality requesting funding for an intermunicipal project can use any of the three applications, depending on the amount and type of grant applied for. Complete **a separate application for each project** if you are applying for more than one project (see Section 1.4).

1.3 Choosing a Project

All grant funding is conditional and project-based. Grants can be applied to operating or capital expenditures or both. The choice and definition of the project is up to the applying municipality, **but it must actually be a project (not a list of unrelated or loosely related items)**, and all of the project eligibility conditions in Part 2 of the Program Guidelines must be met.

Any project cost shortfalls or resulting ongoing funding requirements will be the responsibility of the municipality(ies), **not** the program.

The project name is required for question **3(a)** and the project description is required for question **3(b)** on the Basic and Enhanced Grant Application forms. Please be clear in the project description since **unclear or poorly explained project descriptions will result in a reduced quality score** when the application is evaluated, and could cause delays with preparing the conditional grant agreement.

1.4 Participating in More Than One Project

To maintain the flexibility to accommodate intermunicipal projects, municipalities (except for summer villages) may participate in more than one project as follows in 2005:

a) All eligible municipalities will be permitted to participate in:
   - **one project** of its choice per year; or
   - **two projects** per year **if at least one of them** is an **intermunicipal** project and the municipality is not a summer village.

b) Rural municipalities with a population over 500 will be permitted to participate in:
   - **one project** of its choice per year; or
   - **two projects** per year **if at least one of them** is an **intermunicipal** project; or
   - **three projects** per year **if at least two of them** are **intermunicipal** projects.

Participating in a project means being involved in a Municipal Sponsorship Program project in any capacity - as an applicant or as a contributing partner. To qualify as an intermunicipal project, **a minimum of two eligible municipalities must participate.**

Summer villages are eligible to participate in a maximum of one project per program year, whether it is a single or an intermunicipal application.

The summer village component of an intermunicipal application must have a permanent population of at least 200 people, or at least 400 people if the application consists entirely of summer villages. The answer to question **1(e)** of the Enhanced and Special Grant Application forms addresses whether the applicant is eligible as a summer village or as a group of summer villages to apply for enhanced funding.

If you are participating in more than one project, DO NOT APPLY until you have decided which project or projects you will be involved in.

The final issue here is how to answer question **1(d)** if your answer to question **1(c)** was **"2" or "3".** This allocation of grant eligibility is **up to the municipality** subject to the following constraints:

- The allocation of grant eligibility must be by **percentage of population**. This is because different projects may be approved for different percentages of their maximum grant eligibility. A municipality could be involved in both basic and enhanced grant applications. For example, it could be applying for basic or enhanced funding for one project while being a contributing partner in another project(s) that involves **either** basic or enhanced funding.
- The total percentage of population allocated among different projects **cannot exceed 100 percent**. A municipality's total grant entitlement **cannot** be increased through participation in more than one project.
- The **minimum percentage** of population that can be allocated to an intermunicipal project is **10 percent**. The 10 percent minimum is to ensure there is a significant financial commitment from each municipality towards the project.

Some numerical examples to help clarify how this would work are given in **Appendix B**.

2. GRANT ELIGIBILITY

2.1 Eligible Purposes

To be eligible for funding, the project must meet one or more of the following program objectives:

- improve municipal governance or administration,
- enhance municipal services or service delivery, and/or
- increase intermunicipal co-operation.

These must be verified by answering question **2(a)** on the Basic or Enhanced Grant Application forms. This is not necessary for the Special Grant Application form.

2.2 Grant Conditions

The following conditions must also be met (which are reflected in questions **2(b)**, **2(c)**, and **2(d)** on the Basic or Enhanced Grant Application forms):

- **none** of the funds can be used towards the **municipal share** of any provincial-municipal cost-shared program or project;
- **none** of the funds can be used to pay for work done or materials obtained **before** the conditional grant agreement is signed by the Minister;
- the project or the project phase being applied for must be **completed** by **December 31, 2006.**

Only the last two conditions apply to the Special Grant Application form.

As well, the municipality must be prepared to enter into a Conditional Grant Agreement with the Province if the application is approved. The requirements of the Conditional Grant Agreement are discussed in Part 8 of the Program Guidelines.

3. BASIC OR ENHANCED GRANT?

You must choose between applying for a basic grant **or** applying for enhanced grant funding for your project (or for each project if there is more than one - see Section 1.4). In both cases, grant funding is based on the population of the municipality as specified in the most current Alberta Municipal Affairs Official Population List.

If the application meets all the program eligibility requirements, **basic grant** funding is **certain**, but **enhanced grant** funding is **not**. However, an enhanced grant application that is rejected for enhanced grant funding can still receive basic funding if it meets all the program's eligibility requirements, and if the applicant(s) still wish to continue with the project despite receiving reduced funding.

Question **1(a)** on each Application Form requires choosing the type of grant being applied for. Question **1(b)** asks about the grant amount requested. **Do not expect to get more than your maximum entitlement or what you ask for in question 1(b)**; however, you may get less funding, depending on your municipality's grant entitlement, the number of projects it is participating in, etc. In particular, if the requested grant amount exceeds the cost of the project (as shown by the project budget requested in **Section 3** of the Application Forms), the **project cost** will be used as the grant amount requested.

The amount of **time** to process the applications **varies**:

- A **basic grant application** can be processed in **three weeks** unless it has to be sent back for missing information, a clearer project description, etc.
- An **enhanced grant application** must undergo a scheduled review panel evaluation, which normally requires a minimum processing time of **ten to twelve weeks** from the application deadline. However, projects that propose to collect municipal infrastructure information required for the Alberta Municipal Infrastructure Program will be screened for immediate processing.

4. BASIC GRANTS

4.1 Requirements

The main requirements for a basic grant are to describe the project and show that it is eligible. Applications for intermunicipal projects should identify other participating municipalities and include council resolutions from **each** contributing municipality.

Municipalities requesting basic funding should use the **Basic Grant Application** form.

4.2 Funding

For most eligible municipalities, the **basic grant funding** is **$2.50 per capita** with a minimum total basic grant of $2,000 and a maximum of $20,000, based on the population of the municipality. Summer villages are eligible to apply for basic funding of $1,000 per municipality.

Note: The $2,000 minimum (or $1,000 in the case of summer villages) applies to the municipality's entire basic grant eligibility. Where a municipality allocates its population among different projects, its grant eligibility (including the minimum and maximum amounts) will also be allocated in the same proportion to each project.

5. ENHANCED GRANTS

5.1 Requirements

Any eligible municipality can apply for an enhanced grant rather than a basic grant for a project if all of the eligibility requirements are met.

You must provide considerably **more information** to support an enhanced grant application. An **enhanced grant** requires a **more detailed** explanation of the project (in terms of its benefits, usefulness, planning, etc.) so that the **relative merit** of the proposed project can be evaluated. The additional information required for enhanced grant applications is outlined in Part 3 of the Application Form and discussed in Section 5.5.2 of these Program Guidelines.

5.2 Funding

Enhanced grant funding is up to $20.00 per capita to a maximum of $200,000, **except** that if the municipal population is less than 500, the maximum grant will be $10,000. Enhanced funding may exceed $20.00 per capita or $200,000 if the project is eligible for the **25 percent intermunicipal bonus** (See Section 5.6.3). A summer village or a group of summer villages must have a permanent population of at least 200 people in order to make an enhanced grant application or to qualify as a partner in an intermunicipal enhanced grant application.

The maximum enhanced grant funding levels listed above ($10,000, $200,000, or $20 per capita, plus intermunicipal bonuses if applicable) are maximums. The actual level of funding awarded will depend on the **need of the municipality**, the **merit of the project** (including usefulness), and the **quality of the application** (including planning). A project that does not achieve a good quality score might only receive **partial funding** or even **no enhanced funding**.

Actual funding awards will also be affected by the following:

a) If a municipality is approved for **full** enhanced grant funding, the allocation will be calculated as follows:

- If the municipal population is **less than 500**, the maximum grant will be $10,000. For an **intermunicipal project**, the maximum grant will be $12,500 because of the 25 percent bonus.
- If the municipal population is **between 500 and 10,000**, the maximum grant will be calculated on the basis of $20 per capita. For an **intermunicipal project**, the maximum grant will be calculated on the basis of $25 per capita because of the 25 percent bonus.
- If the municipal population is **between 10,000 and 20,000**, the maximum grant will be $200,000. For an **intermunicipal project**, the maximum grant will be $250,000 because of the 25 percent bonus.

For **summer villages**, full enhanced grant funding is calculated as follows:

- A summer village or a group of summer villages that has a permanent population of at least 200 people qualifies for a maximum grant entitlement of $10,000.
- For every incremental increase of 200 in summer village permanent population numbers, the application is eligible for an incremental maximum grant entitlement of $10,000.

b) Funding will be calculated proportionately if a municipality participates in more than one project (see section 1.4).

c) The population figures used will be the figures specified in the 2004 Official Population List issued by Alberta Municipal Affairs.

d) Alberta Municipal Affairs reserves the right to allocate additional funding in special cases (normally where warranted by special need or exceptional project merit).

5.3 The Point Rating System

The rating system for evaluating enhanced grant applications involves adding both need points and quality points together as follows:

- Need points are based on indicators of municipal need as explained in Section 6.1 of the Program Guidelines. These are calculated by Alberta Municipal Affairs beforehand and each eligible municipality is advised of its need rating. Need point ratings range from **0 to 80 points**.
- Quality points are based on a panel review of the enhanced grant application. The review panel assesses the merit of the project and the quality of the application, then allocates a quality rating of **0 to 90 points** to the application. Further information on quality points for enhanced grants over $40,000 is provided in Section 5.5.2, and **the Quality Score Evaluation Form** used by the review panels to evaluate most enhanced grant applications **is included as Appendix A.**

Although this means a theoretical maximum of 170 points (combined need and quality points), applications require a minimum score of **100 points** to be eligible for **full funding** (the maximum grant entitlement).

An application receiving between **40 and 100 points**, may receive a **partial grant if its quality score is at least 40 points**. This is addressed in Section 5.4 below.

An application receiving a **quality score** of **less than 40 points and an overall score of less than 100 points** will **not** receive any enhanced funding. However, the municipality (or in the case of an intermunicipal project the partnership) will still receive its basic grant funding if it has applied for an eligible project and if it is prepared to go ahead with the project despite receiving only basic grant funding.

5.4 Partial Funding

As mentioned in Section 3, an enhanced grant application may **not** result in full enhanced grant funding, since limited program funding must be shared between all approved applications.

An application receiving an overall score between **40 and 100 points** may receive a **partial grant if its quality score is at least 40 points**. How much partial grant funding will be allocated depends on how much of the program's $13.5 million grant budget is left over **after** the full enhanced grants and the basic grants are paid.

If you choose to apply for enhanced grant funding, **you may wish to choose a project that can be completed in phases** because of this uncertainty. Otherwise, if you were to choose an all-or-nothing project assuming that 90 percent of the cost would be covered by a Municipal Sponsorship Program grant, what would happen if you were only approved for 40 percent? Could your municipality cover 60 percent of the total project cost rather than 10 percent? Or would it have to refuse the conditional grant money being offered?

Partial grant allocations are subject to the municipality (or in the case of an intermunicipal project, the partnership) **being prepared to go ahead with at least part of the project despite reduced provincial funding.** This is the issue being addressed in question **3(e)** on the Enhanced Grant Application form or question **3(l)** on the Special Grant Application form.

5.5 Application Forms

There are **two types of enhanced grant application forms**:

- The **Special Grant Application for Collection of Infrastructure Data** (usually referred to as the **Special Grant Application** form); and
- The **Enhanced Grant Application** form.

The **Special Grant Application** form can only be used for municipal infrastructure data collection projects where the funding requested is up to $40,000. The **Enhanced Grant Application** form must be used for all other enhanced grant applications.

5.5.1 Special Grant Application Form

The Special Grant Application form (its full title is the Special Grant Application for the Collection of Infrastructure Data form) is for funding up to $40,000 for the collection of municipal infrastructure information required for the new **Alberta Municipal Infrastructure Program**, which is administered by Alberta Infrastructure and Transportation. Applicants that commit to collect their municipal infrastructure data using the **Municipal Infrastructure Management System (MIMS)** will be screened for immediate processing and will receive their full enhanced grant eligibility (up to $40,000). Municipalities will be required to respond to questions **3(a)** to **3(g)** and **3(m)** in this circumstance. Applicants proposing to collect infrastructure data in **another format** will be required to complete additional questions (**3(h)** to **3(l)**) and may receive only partial funding. These applications will still be screened for immediate processing, however.

5.5.2 Enhanced Grant Application

The Enhanced Grant Application form will continue to be used to assess the quality (in particular, the planning and risk assessment components) of all other enhanced projects (including municipal infrastructure data collection projects in excess of $40,000 and including projects seeking multi-year approval).

The basic project information requirements in Part 3 of the application form remain unchanged from the previous year. It is important that municipalities respond to **all** of the questions in Part 3 clearly and concisely. Projects vary, but the responses to question **3(c)** on the Application Form (asking for a project budget and an implementation schedule, which should demonstrate suitable preparation and planning) might vary from one page for a simple equipment upgrade project to four pages or more for a larger, more complex project. Similarly, the answers to the seven parts of question **3(d)** on the Application Form might range from two to eight pages or more, depending on the complexity of the project.

Applicants are encouraged to consider, discuss, and include details about other **planning elements** that would enhance proposals such as safety, technology, communication, resources or innovations, and the benefits or needs of special groups (the elderly, disabled, youth, community groups, etc.).

An increasing number of project time extensions and description amendment requests (see Section 8.4) indicate that a number of municipalities are encountering challenges in carrying out projects as planned. Review panels will again be evaluating applications for sufficient evidence of project planning, and identification of, and mitigation for, reasonably foreseeable risks.

The eighth year of the program continues **to emphasize quality scores.** The maximum quality score remains at 90 points. This quality score will provide municipalities with low need ratings more opportunity to receive full enhanced funding (subject to submitting a high quality proposal). The threshold to qualify for full enhanced funding will not change.

Key points to note about maximizing application quality and quality point scores are as follows **(see the Quality Score Evaluation Forms in Appendix A for further information)**.

Quality Point Categories:

a) **22 points are allocated to the quality of the planning component.** The main emphasis here is on the clarity and logic of your responses to questions **3(a), 3(b), and 3(c)** on the Application Form. A well planned project should include a **balanced budget** and an **implementation schedule**. However, descriptions or information about other components of your planning process, resources, training and development needs, community needs the project will address, and an identification of acceptable and valid success measures (as noted in parts **(i), (ii), and (iii)** of question **3(d)** on the Application Form) should also be addressed here.

Note: Success measures have been frequently identified by panel members as one component of the project planning section that is often not fully addressed by applicants. Success measures are indicators that should help verify whether or not the project has actually produced the outputs or led to the outcomes that were desired by the community. Common examples of success measures include increased service delivery capacity, improved services, and user satisfaction, but the appropriateness of these examples is dependent on the project chosen.

b) **12 points are allocated to expected implementation and risk issues.** The main emphasis here is on the likelihood of **completing the project on time** (the completion date for 2005 projects is December 31, 2006) and the likelihood of **realizing the identified benefits.** Few projects can be implemented with the certainty of project success. **Municipalities are expected to identify the risk factors and appropriate** solutions to mitigate these potential risks. If you feel that there are minimal or even no risks associated with implementing your project, please explain your reasoning. While the focus here is on the response to part **(iv)** of application question **3(d)**, relevant parts of replies to other questions and any supplementary material related to risks and opportunities will also be considered in the evaluation.

c) **16 points are allocated to the expected usefulness of the results.** The main emphasis here is on the expected **net utility** of the results (negative results like higher operating costs have to be considered along with the positive results). Ensure that the **benefits** of the project to the municipality are identified and explained. If possible, these benefits should be quantified and linked to community needs or the desired areas of improvement. While the focus will be on the response to part **(v)** of question **3(d)**, relevant parts of replies to other questions and relevant supplementary material will also be considered.

Note: A lack of quantification or identification of **measures** of the net improvements, economies, or efficiencies has been frequently identified by review panel members as one component of a project's usefulness that is often not well addressed by applicants. Common examples of net utility include time efficiencies, cost savings, and improved user satisfaction, but the appropriateness of these examples is dependent on the project chosen.

d) **20 points are allocated for cooperation.** Municipalities are encouraged to choose projects that involve working with agencies, non-profit organizations, community groups, and other municipalities on projects that involve consultation, coordination, and cooperation. While the focus will be on the response to part **(vi)** of question **3(d)**, relevant parts of replies to other questions and relevant supplementary material will also be considered. **Evidence and**

explanations of formal agreements, relevant to the proposed project, that are in place to **demonstrate continuing cooperation** and **shared benefits** will enhance your application.

e) **15 points are allocated to innovation and progressive improvements.** Identified innovations and progressive improvements to municipal services and practices must be significant, useful, and realizable, and be over and above complying with legal requirements (e.g., Alberta Environment's drinking water standards) or delivering required municipal services. The emphasis is on improvements to municipal practices or innovations that result in **more efficiency, greater productivity, and/or improved conditions in the community.** A maintenance or repair project, or the replacement of existing equipment or facilities with something similar or to comply with upgraded standards, is not considered an innovative project. The focus will be on the responses to part **(vii)** of question **3(d)**, and projects to **adopt or adapt improved practices** from other municipalities, agencies, etc., are **encouraged** and will be rated accordingly.

f) **5 points are allocated for projects involving the Municipal Infrastructure Management System (MIMS) or projects that enhance energy efficiencies.** Municipalities are encouraged to choose projects that will assist in better managing municipal infrastructure and create energy savings.

   For projects up to $40,000 that only involve municipal infrastructure data collection, **ignore** this point listing and use the **Special Grant Application for Collection of Infrastructure Data** form.

   For other projects that emphasize municipal infrastructure management, the focus is on improvements to the municipality's ability to establish and maintain a standardized **inventory** of existing municipal infrastructure and to capture information on its **condition** through use of the Municipal Infrastructure Management System (MIMS) tool set. Further information on MIMS can be obtained from the Local Government Administration Association, the Alberta Rural Municipal Administrators Association, the Alberta Urban Municipalities Association, the Alberta Association of Municipal Districts and Counties, or Alberta Municipal Affairs.

   Projects using tools other than MIMS are eligible for 1 bonus point.

   For projects that emphasize energy efficiencies, the focus is on improvements that will result in and monitor energy savings, reduced greenhouse gas emissions, or replacement of conventional energy sources with renewable or alternative sources.

5.6 Intermunicipal Projects

5.6.1 General

Groups of municipalities are encouraged to work together on projects of common interest and benefit, and apply jointly for a grant under the program. Enhanced intermunicipal projects are again eligible for a 25 percent bonus (see Section 5.6.3). The municipal partners, including the municipality designated as the managing partner, must provide council resolutions that name **one** municipal partner as the managing partner for the project. **Only the municipality that is the managing partner can apply for a grant for the intermunicipal project.** The other municipal

partners cannot submit an application form for any funding from the Municipal Sponsorship Program for this project.

Each municipality contributing to an intermunicipal project must contribute **a minimum of 10 percent** of its grant eligibility for the project to qualify as an intermunicipal project. Projects are not considered intermunicipal unless a **minimum of two eligible municipalities are participating**.

Because **summer villages** are eligible to participate in a maximum of one project per program year, the population allocation element described above does not apply. Instead, there are two options for summer villages to participate in an intermunicipal project. Under the first option, a summer village or a group of summer villages wishing to partner with a non-summer village municipal partner must have a permanent population of at least 200 people in order for that component to qualify as a partner in an intermunicipal enhanced grant application. Under the second option, summer villages wishing to partner with only summer villages for an intermunicipal project would be required to have a minimum combined permanent population of 400 people. This is because 200 summer village residents are considered a "village equivalent" for the purpose of the Municipal Sponsorship Program.

The managing partner can apply for either a basic grant or an enhanced grant, and the normal rules apply. However, joint intermunicipal projects have an added degree of complexity. You should therefore make sure that the project is carefully planned and that the **arrangements with the municipal partners are documented and clear**.

Subject to the requirement that an intermunicipal project must have a minimum of two eligible municipalities, projects that involve **ineligible municipalities** (e.g., with a population over 20,000) are permitted. Projects involving **non-municipal agencies** (e.g., irrigation districts, non-profit groups, and community organizations) are encouraged. Although ineligible municipalities and non-municipal agencies are **not recognized for the purposes of calculating the amount of the grant** entitlements under the program, quality points may be awarded to applications that involve cooperation with these entities. The evaluation process includes assessing how cooperation with these organizations enhances an application. It should be noted that changing membership in a grant partnership is not permitted without amending the conditional grant agreement.

The **combined** population of the municipalities participating in an intermunicipal project **can exceed** 20,000. The maximum enhanced grant eligibility **can exceed** $200,000, as shown in example 1 in Appendix B.

5.6.2 Responsibilities of the Managing Partner

Becoming a managing partner for a Municipal Sponsorship Program intermunicipal application means undertaking a number of tasks and responsibilities:

a) The managing partner is responsible for **applying for the grant** for the project after consulting with the contributing partners. This involves the following:

- deciding on the **type** of grant (basic or enhanced) and the **amount** of grant funding applied for;

- finding out what **percentage of the grant entitlement** (a minimum of **10 percent** is required) each partner is prepared to apply to this project (see Section 1.4 of these Program Guidelines, and Appendix B);
- obtaining **council resolutions** from each of the municipal partners, including a resolution from the managing partner, contributing to the project, and submitting documentation on each resolution;
- copying the participating partners on any official project correspondence or reporting; and
- advising the contributing partners of any significant changes to the proposed project, **or of a decision to cancel or not make a grant application**, on a timely basis.

Calculating the grant entitlement for an intermunicipal project can be **complicated**, particularly when some of the partner municipalities are applying only part of their grant entitlement to the project. **Appendix B** provides examples of the situations that can arise and how to calculate the resulting need factors and grant entitlement.

b) The managing partner then has to **sign the Conditional Grant Agreement**, implement the project in accordance with the Agreement, and provide all the required compliance reporting and documentation on behalf of the partnership, including requests for project time extensions or project description amendments if they are required.

Note: Because 200 **summer village** residents constitute a "village equivalent," a grouping of summer villages may be required to qualify for a "single municipality" enhanced grant application. In this instance, a managing partner is required and a separate resolution must be provided from each summer village participating in an enhanced single municipality grant application involving more than one summer village.

5.6.3 Intermunicipal Bonus

Due to the ongoing interest demonstrated for intermunicipal applications, the **cooperation category** that was introduced in 2000 **is being continued for 2005**. This category accounts for a **possible 20 quality points** out of a maximum quality score of 90 points available. The emphasis is on cooperation within and between communities to encourage better practices as well as to provide benefits to more people.

In addition to the cooperation category, enhanced intermunicipal applications will continue to qualify for a **25 percent bonus**. For example, municipality A and municipality B jointly apply for funding for an intermunicipal project. If their project would normally be approved for $100,000 because of its total point score and population allocation, it would now be approved for $125,000 because of the intermunicipal bonus.

The 25 percent bonus applies only to enhanced grants, including partial enhanced grants, but not to basic intermunicipal projects. The bonus will be **added to** the full or partial grant amount awarded by the review panel. The 25 percent bonus **must** be applied to the project applied for.

Note: Because 200 summer village residents constitute a "village equivalent," the bonus does not apply to a partnership of summer villages making an application for a single municipality enhanced grant.

5.7 Multi-Year Project Approval

The multi-year approval pilot will be continued in 2005. Projects approved for multi-year approval will have program funding committed up front for two or three years to facilitate better municipal planning and implementation of projects.

A multi-year project approval offers a number of advantages including:

- up front project planning and implementation flexibility in being able to phase project activities over several years;
- annual reporting requirements for multi-phase projects require less administrative effort than that required to submit annual applications; and
- municipal councils are more supportive of multi-year projects knowing that funds are confirmed for subsequent years.

Municipalities wishing to apply for Multi-Year Project Funding **must** use **the 2005 Enhanced Grant Application** form (See Section 5.5.2) and receive a quality score of at least **65 points** to be eligible for multi-year project approval.

Each multi-year application must provide a full project description and a detailed plan that clearly shows **annual** activities, costs, and revenues, including proposed annual grant amounts for each of the years applied for. A multi-year application must also address ongoing resource, scheduling, and implementation issues.

Approved projects will receive only year one funding initially. However, they will have first priority on future years' program funding, subject to continuation of the program and budget availability. Additional project funding installments in subsequent years up to the three year maximum would be provided, but further annual applications would not be required if the approved projects continue to conform with the original approval, and if annual progress, financial, and compliance reports are submitted on schedule and to the Minister's satisfaction. Any cost overruns in any year would be the responsibility of the municipality and would **not** be shared by the department.

It should also be noted that municipalities receiving multi-year project approval are not eligible to apply in subsequent years or for additional projects under the Municipal Sponsorship Program if maximum entitlements per year are fully allocated under this feature.

Alberta Municipal Affairs reserves the right to limit the number of multi-year projects approved each year (normally to ensure sufficient unallocated or unreserved funds in future years).

To be considered, municipalities must indicate interest and meet the following preliminary criteria:

1. Meet program eligibility and enhanced grant criteria.
2. Apply for an enhanced grant for a multi-year single or intermunicipal project using the 2005 Enhanced Grant Application form.
3. Provide a detailed plan that clearly shows annual activities, annual costs, and annual revenues, including requested grant amounts for each of the years applied for.
4. Obtain a quality score of at least 65 quality points in the 2005 application review process.

5. Agree to some special conditions, including providing annual progress reports and other information as requested.

Annual and Final Reporting Requirements

Municipalities receiving multi-year project approval will be required to submit **both annual and final reports**.

Annual reports are intended to provide periodic updates on the status of the project as it is completed over time. The annual reports should be prepared for each period ending December 31 (except for December 31 of the year in which the grant funds are received by the municipality and the year in which the project is completed). The annual progress report should be submitted to the department by the following March 31. The annual progress report will typically include:

- a brief summary of the work completed in the reporting period, including any **significant** project changes;
- a brief summary of any benefits realized in the reporting period;
- a financial statement of grant-related project revenues and expenditures for the reporting period;
- explanations for any **significant** variances in expenditures from the amounts originally estimated in the grant application for the reporting period; and
- updated project plans including activities, timelines, and budgets for each unfinished phase or component, where they vary **significantly** from what was originally proposed.

Final reporting to the department for multi-year projects will be subject to the same reporting requirements as outlined in Section 8.2. The final benefits report should provide an overview of the benefits realized over the course of the project. In addition to the compliance documents identified in Section 8.2, a final summary report of total grant-related project revenues and expenditures should be provided to the department. The final financial summary report should be submitted by March 31 following the year in which is the project is completed.

An accountant's Review Engagement Report does not need to accompany any of the specific financial reports prepared under this section.

6. NEED AND QUALITY POINTS

6.1 Need Ratings

The point rating system for evaluating enhanced grant applications was introduced in 1998. Municipal need point ratings are calculated by Alberta Municipal Affairs beforehand and range from **0 to 80** points.

The weighting system used to assess and compare municipal need addresses the following basic questions:

- What is the municipality's population?
- Is the municipality experiencing any significant demographic changes?

- Is the municipality experiencing sufficient growth in its equalized assessment base?
- What are the municipality's municipal tax efforts?

These need indicator questions translate into five need factors with their associated point scores, as shown in the following table:

Need Factor	Benchmark	Score (in points)
2004 Population	1 – 1,000	10
	1,001 – 2,000	5
1999 to 2004 Population Growth (in %)	0 increasing to 4.99	20 decreasing to 0
	5.0	0
	5.01 increasing to 15	0 increasing to 20
1999 to 2004 Equalized Assessment Growth (in %)	0 increasing to 20	20 decreasing to 0
1998 to 2003 Equalized Municipal Tax Rate Growth (in %)	7 increasing to 12	0 increasing to 15
2003 Equalized Municipal Tax Rate (in Mills)*	7 increasing to 12	0 increasing to 15
Maximum Total		80

*These figures **exclude** the property taxes required to cover the education requisitions.

The preceding table shows that the **2005 need ratings are calculated on the same basis as the 2004** need ratings with the following exceptions:

- Additional points have been given to smaller municipalities (10 points to those with populations up to 1,000 and 5 points to those with populations from 1,001 to 2,000); and
- The start and end dates have been modified to reflect the most recent five-year data (1999 to 2004).

A number of municipalities indicated that retaining 1992 and 1993 as the base years in the need point formulas was not very useful for purposes of estimating current municipal needs. In order to respond to these concerns, Alberta Municipal Affairs agreed to start adjusting the start dates for the need point calculations, beginning in 2002. The adjustment of these dates continues in 2005. Formula-based calculations indicate that the overall impact to municipalities as a result of adjusting the need factor calculations as recommended is minimal.

Except for the new population factors, the maximum limit in the year-to-year change in the need rating of any municipality remains unchanged at 10 points. This limit will mitigate any effects that may result from adjusting the start and end dates for the need factor calculations.

Finally, it should be noted that restructured municipalities have been assigned need factors that best approximate what their situation would have been if there had been no boundary changes since 1999.

6.2 Quality Ratings

The issues addressed when a review panel looks at each quality factor are discussed in Section 5.5.2 of these Program Guidelines. The quality factors and their point values are continued for 2005 as follows:

- The weighting of the "Quality of Planning Component" factor is maintained at **22 points,** and this category continues to emphasize the importance of good project planning.

- The weighting of the "Expected Implementation and Risk Issues" factor is maintained at **12 points**.
- The weighting of the "Expected Usefulness of the Results" factor is maintained at **16 points**.
- The weighting of the "Cooperation" factor is maintained at **20 points**.
- The weighting of the "Innovation and Progressive Improvements" factor is maintained at **15 points**, and this factor continues to emphasize a broad definition of innovation and progressive improvements. Innovations or improvements to municipal practices over and above current municipal services and current service levels are important to the program if they result in more efficiency, greater productivity, and/or improved conditions in the community.
- The weighting of Section F, previously referred to as "Municipal Infrastructure Management" is maintained at **5 points,** and has been expanded to include an **additional opportunity to garner 5 points for projects that enhance energy efficiency,** to emphasize the importance of both improving the management of municipal infrastructure and achieving energy efficiencies.

Review panels assign quality ratings. Each enhanced grant application will be reviewed by a panel of up to five members depending on the complexity of the application and the amount of the grant requested. The panel members are drawn from a pool of experienced Local Government Services Division staff and municipal consultants. The review panel will focus on the responses to the questions in **Part 3** on the Application Forms and any relevant supplementary material provided. This information will be reviewed in accordance with the quality issues and ratings noted above and in Section 5.5.2 of the Program Guidelines.

Note: The **2005 Quality Score Evaluation Form (see Appendix A)** will be used by review panels to evaluate enhanced applications for projects, except for municipal infrastructure data collection projects that use the Special Grant Application form.

7. APPLICATION TIMELINES AND APPEALS

7.1 Application Deadline

The application deadline is **July 29, 2005**. Late applications will **not** be considered unless the circumstances are exceptional and Alberta Municipal Affairs is satisfied with the reason for the lateness.

7.2 Notification

Applicants will be contacted regarding the decisions on their applications and regarding signing Conditional Grant Agreements as follows:

- approximately **three weeks** after the application is received for basic grant applications, or
- by the **end of October 2005** for most enhanced grant applications, or
- approximately **four to six weeks** after the application is received for enhanced grant applications for municipal infrastructure data collection projects.

7.3 Appeals

Basic grant applications and need point allocations for enhanced grant applications **cannot** be appealed. **Quality point allocations** for enhanced grant applications **can** be appealed subject to the following conditions:

a) A **request for an appeal must be in writing**, and if it is regarding an intermunicipal project or an enhanced single municipality grant application from a group of summer villages, it must be from the managing municipal partner.

b) This appeal must be received by the Director of Grants and Administration by **November 25, 2005**.

c) The written appeal must clearly state the ground(s) for the appeal and specifically **where or how the review panel has (in the opinion of the municipality) erred** in evaluating the municipality's original grant application.

d) A municipality **can** use the appeal process to enhance the original application to provide additional information and/or clarifications.

e) A municipality **cannot** use the appeal process as a vehicle for submitting a new proposal.

f) The appeal process cannot be used to change the original grant category or the amount requested, or to modify the original project proposed for funding.

The Director of Grants and Administration will arrange for an appeal panel to consider the appeal. The appeal panel will not include any members of the review panel that evaluated the original grant application. The affected municipality or municipalities will be advised of the outcome of the appeal by **December 9, 2005**, in most cases.

8. GRANT AGREEMENTS AND COMPLIANCE REQUIREMENTS

8.1 Conditional Grant Agreement

Each approved applicant must enter into a Conditional Grant Agreement with Alberta Municipal Affairs regarding the use of the grant **before the funds will be released**. The terms of the agreement will include the use of the grant for the approved project only, the eligibility, reporting and accountability requirements, the Minister's right to audit any grant project, and the Minister's right to require a refund of any grant funds not used in accordance with the agreement.

The municipality must use the 2005 grant by **December 31, 2006.**

Special grant conditions will apply to municipal infrastructure data collection projects.

Full compliance with the Conditional Grant Agreement, including meeting the project timing and project description conditions (the project description is detailed in Schedule A of the signed conditional grant agreement), and including meeting the conditions that apply **after** completion of the project, will be required. Failure to comply with the agreement may result in the municipality having to repay the grant.

8.2 Further Compliance Documentation

Acknowledgement of Compliance: Within a month of completing the project (by January 31, 2007, or sooner), the Chief Administrative Officer (CAO) of the municipality receiving the grant must sign and file an Acknowledgment of Compliance form, certifying that the grant was used for the approved project in accordance with the terms of the Conditional Grant Agreement. Blank Acknowledgement of Compliance forms will be sent out at a later date, or can be requested from Alberta Municipal Affairs at the address given on page 3 of these Program Guidelines.

Short Report: If a municipality receives **a grant of more than $50,000**, a short report about the benefits realized from the project will be required within one month of completing the project (by January 31, 2007, or sooner).

Review Engagement Report: If a municipality receives **a grant of more than $100,000**, a Review Engagement Report must be submitted at the time of submitting the municipality's annual audited financial reports to Alberta Municipal Affairs (by May 1, 2007) regarding the applicant's compliance with the conditions of the Conditional Grant Agreement.

The Review Engagement Report requires the issuance of a report by an independent public accountant who is a member in good standing of the Institute of Chartered Accountants of Alberta, the Certified General Accountants' Association of Alberta, or the Society of Management Accountants of Alberta, and who is **not** an employee of the municipality, the managing partner, or any partner municipality involved in Municipal Sponsorship Program projects.

Income Earned Accounting: Municipalities are required to **apply any income earned (which includes interest, capital gains, dividends, etc.) on the approved grant to the project**.

Where significant time extensions, project changes, high grant amounts, or other circumstances warrant it, municipalities **may also have to account** for such income if so advised by program representatives in circumstances such as:

1. projects that are approved for a significant time extension and the specific situation warrants it;

2. grants are relatively large amounts;

3. a significantly altered project description amendment has been approved where accounting for the income earned is a requirement of the amendment approval; or

4. other situations as specified from time to time by the Minister or program representatives.

Any requirement to apply and account for the income earned will be included in an amendment to the Conditional Grant Agreement.

8.3 Follow-Up

These Program Guidelines and the Conditional Grant Agreement both emphasize the conditions of Municipal Sponsorship Program funding. Provincial government accountability requirements mean that program staff must ensure an acceptable level of municipal compliance with these conditions. While program staff want to be helpful when problems arise, staff will employ **follow-up and collection procedures** to deal with municipalities that do not make reasonable efforts to meet the conditions of the Conditional Grant Agreement.

In addition, departmental representatives will continue to conduct a number of site visits in 2005 to view a sample of completed 2002 and 2003 projects. These **site visits** provide an opportunity for program and municipal representatives to meet face to face to review the project's benefits to the community and to explore suggestions for possible program changes.

While site visits are an additional information gathering mechanism utilized by the department, the main focus is **not** on ensuring municipal compliance with the conditions of the program. Instead, the focus is on identifying ways the program can be further improved and ways that municipalities can better learn about and take advantage of successful projects elsewhere in the province.

8.4 Time Extension and Project Amendment Requests

A significant number of projects are requiring project description amendments and time extensions due to project alterations or delays. Some municipalities have not been providing clear and succinct descriptions of their projects on their application forms, while a number of municipalities fall behind schedule and are not able to complete their projects on time or as originally described.

It is the department's intent to accommodate reasonable project delays and problems where possible. However, to meet program accountability and compliance conditions, municipalities requesting project description amendments or completion date extensions must submit a request in writing that includes at least the following:

1. the project funds expended as at the date of the request;
2. the reason for the delay or the project description change; and
3. the revised completion date, any revised project components, and any other changes to the original proposal requested.

Other useful information that may be required by program representatives to evaluate the request includes:

1. an updated project implementation schedule;
2. a contingency plan to mitigate further project delays; and
3. a listing of the contract and/or other resources that will be used to complete the project.

Upon receipt of such a request, program staff will consider the request and provide recommendations to the Deputy Minister. If the request is approved, program representatives will then prepare an amending conditional grant agreement to amend the original documentation or project conditions and forward it for the municipality's signature(s) in order to process the requested changes.

APPENDIX A: Quality Score Evaluation Forms

A number of municipalities continue to ask for further information about the specific allocation of quality points in the review panel scoring process. To assist municipalities in better understanding the quality point allocation within each of the quality factors, a copy of the **Quality Score Evaluation Form** for **enhanced grant applications** (excluding municipal infrastructure data collection project special grant applications) has been included as part of these guidelines, starting on the following page.

These forms are used by the review panel members to assess the merit of the project and the quality of the application.

AMA 2005 Municipal Sponsorship Program
Quality Score Evaluation Form

Municipal Information: 2004 Population: Entitlement for this Project: $

Quality Factors	Maximums Yes	Maximums Some-what	Scores Yes	Scores No	Scores Some-what
A. Quality of Planning Component [Clarity, Logic and Completeness]					
1 Project Description (Q.1 (b))					
Does the project description identify what is to be done, when and how?	3	1			
2 Revenues, Expenses, Net Position (Q.3 (a))					
Is there a clear, detailed and adequate presentation of a balanced project budget?	3	1			
3 Implementation Schedule (Q.3 (a))					
Does the proposal identify orderly, logical, feasible steps and assign target dates from start to finish?	2	1			
4 Training and Development (Q.3 (b)(i))					
Does the proposal address the staff training and development required for the implementation of the project and for making use of the project results?	2	1			
If this has been addressed, have appropriate resources been identified and allocated for staff training and development?	1	0			
5 Needs (Q.3 (b)(ii))					
Are the community needs and/or desired areas of improvement clearly identified?	4	2			
6 Success Measurements (Q.3 (b)(iii))					
Are the success measures for the expected project outcomes identified, measurable and quantified?	3	1			
Are the success measures applicable and valid?	1	0			
7 Overall Presentation (entire proposal including any attachments)					
Is the proposal clear, logical, complete, and well presented?	3	1			
Maximum Totals	22	8			
Panel Member Component Score A					

Panel Member Comments:

AMA 2005 Municipal Sponsorship Program
Quality Score Evaluation Form

Quality Factors		Maximums		Scores		
		Yes	Some-what	Yes	No	Some-what
B.	**Expected Implementation and Risk Issues (Q.3 (b)(iv))**					
1	Are the major risk factors and barriers to the success of this project identified or addressed?	3	1			
2	Are the appropriate mitigation steps or solutions to overcome the major risk factors identified?	2	1			
3	Considering the risks, are the inherent or expected benefits identified likely to be realized?	3	1			
4	Will the project likely be completed by December 31, 2006?	4	2			
	Maximum Totals	12	5			
	Panel Member Component Score B					

Panel Member Comments:

C.	**Expected Usefulness of the Results (Q.3 (b)(v))**					
1	Are the benefits the project will provide the municipality (and its partners) fully identified and explained?	4	2			
2	Are these benefits relevant and responsive to the identified community needs or desired areas of improvement?	4	2			
3	Are the expected net improvements clear, significant and measurable?	4	2			
4	Do the expected improvements include realistic efficiencies, economies, gains in effectiveness, and/or best practices?	4	2			
	Maximum Totals	16	8			
	Panel Member Component Score C					

Panel Member Comments:

AMA 2005 Municipal Sponsorship Program
Quality Score Evaluation Form

Quality Factors		Maximums		Scores		
		Yes	Some-what	Yes	No	Some-what
D.	**Cooperation (Q.3 (b)(vi))**					
1	Will the project outcomes actually be of significant benefit to partner or other municipalities in their operations?	6	3			
2	If so, have these benefits to partner or other municipalities been identified and clearly explained?	4	2			
3	Will the project outcomes actually be of significant benefit or support to other agencies, non-profit groups, community organizations, government departments, and/or industry? Has this been clearly explained?	6	3			
4	Are relevant formal agreements in place to address continuing cooperation and shared benefits to identified partners?	4	2			
	Maximum Totals	20	10			
	Panel Member Component Score D					

Panel Member Comments:

E.	**Innovation and Progressive Improvements (Q.3 (b)(vii))**					
1	Are specific innovative features or progressive improvements identified and do they qualify as innovation or progressive improvements? (not maintenance or repair projects or replacement of existing equipment or facilities with something similar)	5	2			
2	Are the features that qualify under E.1 significant and clearly useful?	5	2			
3	Are the features that qualify under E.1 realistic and realizable?	5	2			
	Maximum Totals	15	6			
	Panel Member Component Score E					

Panel Member Comments:

AMA 2005 Municipal Sponsorship Program
Quality Score Evaluation Form

Quality Factors		Maximums Yes	Maximums Some-what	Scores Yes	Scores No	Scores Some-what
F. Municipal Infrastructure Management						
1	Will the project involve significant collection of data on existing municipal infrastructure in a standardized format?	1	0			
2	Will the project also use the Municipal Infrastructure Management System (MIMS) Tools for data capture and MIMS as the data repository?	4	2			
	Maximum Totals	5	2			
	Panel Member Component Score F					

OR

F. Energy Efficiency						
1	Will the project (or a significant project component(s)) result in energy savings, reduced greenhouse gas emissions, and/or replace conventional energy sources with renewable or alternative sources?	4	2			
2	Has a process been identified for the monitoring and collection of energy savings or greenhouse gas reduction data?	1	0			
	Maximum Totals	5	2			
	Panel Member Component Score F					

Panel Member Comments:

Maximum Overall Totals A, B, C, D, E and F	90	40			
					Total Score

APPENDIX B: Calculating Intermunicipal Project Grant Entitlements

The applicant is **not** responsible for calculating the grant entitlement or the need rating for an intermunicipal project. Alberta Municipal Affairs will do this based on the information provided in the application for the project. These calculations can be complex because allowing all eligible municipalities to participate in more than one Municipal Sponsorship Program project per year is facilitating intermunicipal projects at the expense of complicating the necessary calculations.

However, many applicants want to be able to calculate the grant entitlements and need ratings for intermunicipal projects, or at least understand how this is done. **The basic approach is to add grant entitlements by population and calculate weighted average need factors by population**, but this is easier said than done. The following examples should help:

Example 1: One enhanced intermunicipal project from three municipalities. Each applies 100% of its population (which is 100% of its grant eligibility) to the project.

Municipality A	Municipality B	Municipality C
• population is 15,000 • maximum enhanced grant entitlement for the individual municipality is $200,000 • need factor is 30	• population is 1,000 • maximum enhanced grant entitlement for the individual municipality is $20,000 • need factor is 50	• population is 200 • maximum enhanced grant entitlement for the individual municipality is $10,000 • need factor is 60

For an intermunicipal project involving all three municipalities, we would **add up** the maximum enhanced grant entitlements of municipalities A, B, and C ($200,000, $20,000, and $10,000) to get the maximum enhanced grant entitlement for the intermunicipal project ($230,000 in this case).

The combined need factor would be the **weighted average** by population (30 x 15,000, 50 x 1,000, and 60 x 200 divided by 16,200), which works out to 31.6.

The **actual grant amount** awarded would then **depend on the quality score** the project received. The project would also be eligible for the 25 percent intermunicipal bonus.

Example 2: One basic intermunicipal project application from two municipalities, plus a single municipality enhanced grant application from one of them. Municipality D applies 100% of its population (and hence 100% of its grant eligibility) to the intermunicipal project, but Municipality E applies only 50% of its population and grant eligibility to the intermunicipal project. The other 50% of Municipality E's population and grant eligibility is applied to its own enhanced single municipality project.

Municipality D	Municipality E
• population is 5,000 • basic grant entitlement for the individual municipality is $12,500 • need factor is 35	• population is 11,000 • basic grant entitlement for the individual municipality is $20,000 • maximum enhanced grant entitlement for the individual municipality is $200,000 • need factor is 27

For an intermunicipal project involving all of municipality D's basic grant entitlement and half of municipality E's entitlement, we would **add up** the municipalities' basic grant entitlement **in a modified fashion** as follows: D x 100% plus E x 50% ($12,500 and $10,000), to get the basic grant entitlement for the intermunicipal project ($22,500 in this case). This would be the actual amount awarded (the need score would not be counted and no quality rating would be calculated). **No bonus** is offered for **basic** intermunicipal grants.

Municipality E would also be considered for its residual single municipality project. Its maximum enhanced grant entitlement would be $100,000 (**half** of its normal maximum enhanced grant entitlement because the other half of its population has been assigned to the intermunicipal project, even though the intermunicipal project only involves basic funding). The need factor would still be 27, and the actual grant amount awarded would then depend on the quality score this single municipality project received.

Example 3: Two enhanced intermunicipal project applications from three municipalities. Municipality F applies 70% of its population (and hence 70% of its grant eligibility) to project 1 and 30% to project 2. Municipality G applies 40% of its population and grant eligibility to project 1 and 60% to project 2. Municipality H applies 100% of its population and grant eligibility to project 1.

Municipality F	Municipality G	Municipality H
• population is 5,000 • maximum enhanced grant entitlement for the individual municipality is $100,000 • need factor is 10	• population is 1,000 • maximum enhanced grant entitlement for the individual municipality is $20,000 • need factor is 70	• population is 200 • maximum enhanced grant entitlement for the individual municipality is $10,000 • need factor is 40

For project 1, the intermunicipal project involving all three municipalities, we would **add up** the maximum enhanced grant entitlements of the three municipalities **in a modified fashion** as follows: F x 70% plus G x 40% plus H x 100% ($70,000, $8,000, and $10,000), to get the maximum enhanced grant entitlement for intermunicipal project 1 ($88,000 in this case).

The combined need factor for project 1 would be the **weighted average** by **allocated** population (10 x 5,000 x 70%, 70 x 1,000 x 40%, and 40 x 200 x 100% divided by 4,100), which works out to 17.3.

The actual grant amount awarded would then depend on the quality score that project 1 received. The project would also be eligible for the 25 percent intermunicipal bonus.

For project 2, we would **add up** the maximum enhanced grant entitlements of municipalities F and G **in a modified fashion** as follows: F x 30% plus G x 60% ($30,000 and $12,000), to get the maximum enhanced grant entitlement for project 2 of $42,000.

The combined need factor for project 2 would also be the **weighted average** by **allocated** population (10 x 5,000 x 30% and 70 x 1,000 x 60% divided by 2,100), which works out to 27.1.

The actual amount awarded would then depend on the quality score that project 2 received. The project would also be eligible for the 25 percent intermunicipal bonus.

More complex permutations and combinations are possible, but these three examples should give you the picture.

APPENDIX C: Overview And Checklists

1. **Basic Grant Application for a Project Involving a Single Municipality or an Intermunicipal Project**

   The requirements for this type of grant are addressed in Parts 1, 2, 3, 4, 7 and 8 of the Program Guidelines.

   Complete the **2005 Basic Grant Application** form. If the project is intermunicipal, **copies of council resolutions** from each of the partner municipalities, including the managing partner, must be attached.

2. **Special Grant Application for Collection of Infrastructure Data (up to $40,000)**

   The requirements for this type of grant are addressed in Parts 1, 2, 5, 6, 7 and 8 of the Program Guidelines.

   Complete the **2005 Special Grant Application for Collection of Infrastructure Data** form.

3. **Enhanced Grant Application**

   The requirements for this type of grant are addressed in Parts 1, 2, 3, 5, 6, 7 and 8 of the Program Guidelines.

   Complete the **2005 Enhanced Grant Application** form (except for infrastructure data collection projects up to $40,000).

4. **Enhanced Grant Application for an Intermunicipal Project**

   The requirements for this type of grant are addressed in Parts 1, 2, 3, 5, 6, 7 and 8 of the Program Guidelines.

   Complete the **2005 Enhanced Grant Application** form (except for infrastructure data collection projects up to $40,000). As well, **copies of council resolutions** from each of the partner municipalities, including the managing partner, must be attached.

5. **Enhanced Grant Application for a Project Involving a Group of Summer Villages Applying for Enhanced Funding**

   The requirements for this type of grant are addressed in Parts 1, 2, 3, 5, 6, 7 and 8 of the Program Guidelines.

   Complete the **2005 Enhanced Grant Application** form (except for infrastructure data collection projects up to $40,000). **Copies of council resolutions** from each summer village must be attached.

6. **Enhanced Grant Application for a Multi-Year Project Approval**

   The requirements for this type of grant are addressed in Parts 1, 2, 3, 5, 6, 7 and 8 of the Program Guidelines.

   Complete the **2005 Enhanced Grant Application** form.

Questions?

If you have any questions or require further information on the Municipal Sponsorship Program, please contact:

Ms. Lou Espino, Manager, Grants and Information Support,

Mr. Christopher Michell-Viret, Manager, Policy and Special Grants, **or**

Ms. Marie Juengel, Coordinator, Policy and Grants

by phone at (780) 427-2225,

by fax at (780) 422-9133,

by e-mail at municipal.sponsorship@gov.ab.ca, or

by writing:
Alberta Municipal Affairs
Municipal Services Branch
Grants and Administration Unit
17th Floor, 10155 - 102 Street
Edmonton, AB T5J 4L4

APPLICATION DEADLINE IS JULY 29, 2005

Earlier applications are encouraged.